

**Term Sheet**  
**Memorandum of Understanding**

This Term Sheet and Memorandum of Understanding ("**MOU**"), is entered into this \_\_\_\_ day of \_\_\_\_, 2016, between the Anoka County Regional Railroad Authority (**the "ACRRA"**), and the City of Coon Rapids (**the "City"**), Minnesota, and the Housing and Redevelopment Authority in and for the City of Coon Rapids (**the "HRA"**), Minnesota.

WHEREAS, the ACRRA purchased property in the City of Coon Rapids adjacent to the Northstar commuter rail station (**the "Riverdale Site"**) for the purposes of facilitating transit oriented development, increasing Northstar ridership and reducing the net operating subsidy of the line; and

WHEREAS, the Riverdale Site is approximately 15.9 acres and is located at Northdale Boulevard and 123<sup>rd</sup> Avenue, adjacent to the Riverdale Commuter Rail Station; and

WHEREAS, the ACRRA and the City have worked to identify an appropriate development for the site that meets the public goals of the City and the ACRRA; and

WHEREAS, the City intends to enter into a development agreement with Sherman Associates (**the "Developer"**) and would like to purchase the Riverdale Site from the ACRRA for the purposes of developing a market rate apartment building, an affordable family apartment building, and potentially a senior housing facility (**collectively, the "Riverdale Development"**); and

WHEREAS, the City intends to create a Tax Increment Financing District for housing (**the "Housing District"**) for the Riverdale Development; and

WHEREAS, the ACRRA desires to sell the Riverdale Site to the HRA for such purposes, subject to certain conditions enumerated below.

NOW, THEREFORE the parties hereto agree as follows:

1. Subject to the negotiation of a definitive purchase and sale agreement, the ACRRA will sell, and the HRA will buy, the following real estate interests for the transit-oriented development on the Riverdale Site: PIN 08-31-24-14-0030 described as Tract A, registered Land Survey No. 209, Anoka County, Minnesota, subject to restrictions, reservations and easements of record, if any.
2. The ACRRA's sale of the property is subject to the following conditions:
  - a. The City will agree that it will limit the maximum life of the Housing District to 10 years from the receipt of first increment, provided that the applicable authority [may/may not] elect to defer the receipt of first increment as provided in Minnesota Statutes, Section 469.175, subd. 1(b).
  - b. The City will agree that it will not approve the extension of the term of the Housing District beyond the initial 10-year term.
  - c. If the City or the Developer succeeds in securing any grants in excess of \$1,000,000 for the Riverdale Development, the term of the District will be shortened commensurately.
  - d. The City's agreements with respect to the duration of the Housing District will be evidenced by an enforceable binding agreement ("TIF Agreement") obligating the City to pay to Anoka County in each and every year that the tax increment district remains in effect beyond the permitted 10-year term, a payment in the amount of the county's portion of the tax increment generated by the property in such year.
  - e. The ACRRA acknowledges that the City may decide to undertake the Riverdale Development in two phases. Phase 1 would include the market rate apartment building and the affordable family apartment building. Phase 2 would include the senior housing facility. In the event that the Riverdale Development is implemented in two phases, the ACRRA would agree that a Housing District may be established for each phase; however, the conditions set forth in this MOU would apply to each Housing District including the ten-year limitation on duration of the District.
  - f. Moreover, the ACRRA acknowledges that if the Riverdale Development is implemented in two phases, the City may utilize the services of the Developer or may contract with another developer to complete the project.
3. The HRA will pay the ACRRA the amount of \$2,300,000 for the Riverdale Site, payable at closing.

4. The closing for the sale of the Riverdale Site is anticipated to occur on or about June 30, 2017.
5. The parties agree to negotiate in good faith to finalize and enter into the definitive Purchase and Sale Agreement and TIF Agreement before June 30, 2016. This memorandum is only an expression of the parties' present mutual intent regarding the proposed transaction and does not constitute a legal binding and enforceable agreement of the ACRRA and the City.

IN WITNESS HEREOF, the ACRRA and the City have executed this Memorandum of Understanding on the day and date indicated immediately below their respective signatures.

**ANOKA COUNTY REGIONAL RAILROAD AUTHORITY**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**CITY OF COON RAPIDS**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**COON RAPIDS HOUSING AND REDEVELOPMENT  
AUTHORITY**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_